Senate Bill No. 1156

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Passed the Senate   June 24, 2004

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Secretary of the Senate

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Passed the Assembly   June 21, 2004

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Chief Clerk of the Assembly

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This bill was received by the Governor this ―――――― day of

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Private Secretary of the Governor

CHAPTER _____

An act to add Part 4 (commencing with Section 18000) to Division 7 of the Business and Professions Code, relating to business.

SB 1156, Alarcon.   Microenterprise.

Existing law authorizes the State Department of Social Services, with the consent of participating counties, to implement demonstration projects to provide self-employment training and technical assistance, including microenterprise demonstration projects, to CalWORKs recipients and persons at risk of receiving those benefits.

This bill would encourage cities and counties to access microenterprise development in order to create new jobs and income opportunities for individuals of low and moderate income. The bill would encourage California communities and the public agencies that serve them to promote local partnerships that invest in microenterprise development.

The people of the State of California do enact as follows:

SECTION 1.   The Legislature hereby declares all of the following:

(a) Microenterprises create jobs, build the economies of communities, and help individuals and families earn the income needed to be economically self-sufficient.

(b) Microenterprises are generally started by individuals of low and moderate income for the purpose of creating a job or extra income for themselves and their families.

(c) Seventy-two percent of low-income microentrepreneurs increased their household income over five years by an average of eight thousand four hundred eighty-four dollars ($8,484), and 61 percent decreased their reliance on public assistance.

(d) Individuals who seek to create their own employment opportunities through a microenterprise could benefit from training, technical assistance, and access to capital.

(e) Healthy microenterprises are vital to the California economy.

(f) Between 1995 and 2000, 44 percent of all new job growth in California was created by microenterprises.

(g) In 2000, 2.2 million Californians were either self-employed or working for a microenterprise.

SEC. 2.   Part 4 (commencing with Section 18000) is added to Division 7 of the Business and Professions Code, to read:

PART 4.   MICROENTERPRISES

18000.   (a) (1) For purposes of this part, "microenterprise" means a sole proprietorship, partnership, or corporation that meets all of the following requirements:

(A) Has fewer than five employees, including the owner.

(B) Is part time or full time.

(C) Generally lacks access to conventional loans, equity, or other banking services.

(2) Microenterprises are distinct from small businesses or microbusinesses and include, but are not limited to, businesses that provide child development services, businesses that provide landscaping services, businesses that provide building maintenance, businesses that provide personal and business services, businesses that provide specialty food products, and home-based businesses.

(b) For purposes of this part, "microenterprise development provider" means a nonprofit or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to expand their current business.

18001.   (a) Every city, county, and city and county is encouraged to access microenterprise development in order to create new jobs and income opportunities for individuals of low and moderate income.

(b) Every city, county, and city and county is encouraged to include microenterprise development as a part of their economic development strategy.

(c) California communities and the public agencies that serve them, such as workforce investment boards, community colleges, and local economic development agencies, are encouraged to

promote local partnerships that invest in microenterprise development.

Approved ————————————————, 2004

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                                    Governor